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SIPDIS

FOR GABORONE PASS PDROUIN
STATE PASS OPIC FOR DERB, ZHAN, MSTUCKART, JEDWARDS
STATE PASS TDA FOR LFITTS, PMARIN
STATE PASS USAID FOR NFREEMAN, GBERTOLIN, GWEYNAND
STATE PASS EXIM FOR JRICHTER, KJACKSON
DOC FOR 3317/ITA/OA/KBURRESS
DOC FOR 3310/USFC/OIO/ANESA/DHARRIS
DOC FOR USPTO-PAUL SALMON

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SUBJECT: NIGERIA: AMBASSADOR DISCUSSES AGRICULTURE AND LOCAL POLITICS WITH OSUN STATE GOVERNOR

Septel

¶1. (U) Summary: During her visit to Osun State on March 25, Ambassador engaged Osun State Governor Olagunsoye Oyinlola (PDP) on his plan to develop the agricultural sector. Governor Oyinlola said a Free Trade Zone will be set up to promote agro-businesses and exports. He also said Osun State is striving to develop a solid mineral industry and tourism sector. Ambassador noted that she had recently met with the Chairman of the Odu'a Group who wishes to do an inter-state Africa Growth and Opportunity Act (AGOA) workshop focused on agriculture. She also mentioned the upcoming public private partnership (PPP) on the agricultural sector that will focus on financing, capital equipment, and technical assistance by EXIM, FAS, USCS, and USTDA. Turning to politics, the Ambassador also raised political issues for Osun State in 2011, to which the Governor noted that he will have already served two terms and that the political playing field for governorship in his state is wide open. End summary.

Osun Wants FTZ for Agro-Businesses

¶2. (U) Governor Oyinlola told Ambassador that there is no alternative to developing the agricultural sector as the state's economic base, and that Osun has moved forward with its plan to establish a Free Trade Zone (FTZ) for that purpose. The FTZ would focus on agro-businesses, particularly on the processing of cocoa and palm oil products. Products from the FTZ would go to the local market first, and only surplus would be exported, he said.

U.S. Mission to Promote Agriculture through PPPs

¶3. (U) Ambassador informed Governor Oyinlola about the U.S. Mission-sponsored agriculture workshop focusing on EXIM, USTDA, USAID, and FAS and other USG agencies on financing, capital equipment, and technical assistance in June 2009 in Lagos. She also noted a recent meeting with Odu'a Investment Company on its desire to hold an AGO workshop for five Southwestern states. (Note: Odu'a Investment Company is an economic grouping incorporated in 1976 to provide a framework for inter-state businesses between Oyo, Ogun, Ondo, Osun, and Ekiti. End Note) The workshop will focus on getting agro-businesses and medium to large-size farmers export-ready under the African Growth and Opportunity Act (AGOA). Ambassador asked Governor Oyinlola to identify appropriate stakeholders to this process, including Osun state government officials, agro-business leaders, and farmers.

Osun Hopes to Build Solid Mineral, Tourism Industries

¶14. (U) Governor Oyinlola said Osun State has solid mineral deposits, including gold and tantalite, to be developed. In addition, Osun State is home to two UNESCO-recognized sites, making tourism a potentially profitable sector for the state.

Governorship Wide Open in 2011

¶15. (U) Governor Oyinlola told Ambassador he still awaits the Federal Appeals Court's ruling on his 2007 election to office. He noted that he will have served two terms by 2011, and the gubernatorial election will be wide open. (Note: On March 30, the Federal Appeals Court ordered a retrial of the petition against Governor Oyinlola for alleged election irregularities that led to his victory in the 2007 gubernatorial election. The election tribunal dismissed the petition in 2008, and upheld Oyinlola's election. End Note) Governor Oyinlola hopes to continue his public service by running for the Senate. He noted for Ambassador the political initiatives set in place to make Osun more transparent, including a due process office within the state government.

¶16. (U) Comment: Like its Western state neighbors, Governor Oyinlola has ambitious plan to rebuild the agricultural sector in Osun State through the establishment of an agro-focused FTZ. He understands the benefits of AGOA and is eager to collaborate with the U.S. Mission on agriculture-export promotion programs. A retrial of the petition against Governor Oyinlola could take around one year, allowing him time to serve nearly a full time. End Comment.

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¶17. (U) This cable was cleared with Embassy Abuja.

Blair